



FR-4915-01-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[Docket No. FD 35564 (Sub-No. 1)]

North Carolina & Virginia Railroad Company, LLC, Chesapeake & Albemarle Railroad
Division—Lease Amendment Exemption—Norfolk Southern Railway Company

North Carolina & Virginia Railroad, LLC, Chesapeake & Albemarle Railroad
Division (NCVR), a Class III carrier, has filed a verified notice of exemption under
49 C.F.R. § 1150.41 to amend a lease with Norfolk Southern Railway Company (NSR).
The Lease and Option to Purchase Agreement, dated February 28, 1990, as amended, (the
Original Lease) covers 66 miles of railroad. The line runs between approximately
milepost NS-8.0 at Chesapeake, Va., and approximately milepost NS-74.00 at Edenton,
N.C., including related branch lines and trackage as defined in the Original Lease (the
Line). The Line runs through North Hampton County, Va., and Chowan County, N.C.

NCVR states that it and NSR have agreed to extend the terms of the Original
Lease and to strike and render null and void all provisions relating to the option to
purchase the Line included in the Original Lease. NCVR certifies that its projected
annual revenues as a result of this transaction will not exceed those that would make it a
Class II rail carrier, but states that its projected annual revenue will exceed \$5 million.
Accordingly, NCVR is required, at least 60 days before the exemption is to become
effective, to post a notice of its intent to undertake the proposed transaction at the
workplace of the employees on the affected line, serve a copy of the notice on the

national offices of the labor unions with employees on the affected line, and certify to the Board that it has done so. 49 CFR 1150.42(e).

On December 1, 2011, NCVR certified that it posted notice of the proposed transaction at the workplace of employees on the Line on November 29, 2011, and that it served a copy of the notice on the national office of International Machinist Association of Aerospace Workers Union on November 30, 2011. Concurrent with its notice of exemption, NCVR filed a petition for waiver of the 60-day notice requirement of 1150.42(e). The Board will address NCVR's petition for waiver by separate decision, and will establish in that decision the earliest this transaction may be consummated.

If the verified notice contains false or misleading information, the exemption is void ab initio. Petitions to revoke the exemption under 49 U.S.C. 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the effectiveness of the exemption. Stay petitions must be filed at least seven days before the exemption becomes effective.

An original and ten copies of all pleadings, referring to Docket No. FD 35564 (Sub-No. 1), must be filed with the Surface Transportation Board, 395 E Street, S.W., Washington, DC 20423-0001. In addition, a copy of each pleading must be served on: Scott G. Williams, 7411 Fullerton Street, Suite 300, Jacksonville, FL 32256, and Louis E. Gitomer, 600 Baltimore Avenue, Suite 301, Towson, MD 21204.

Board decisions and notices are available on our website at "WWW.STB.DOT.GOV."

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Decided: December 13, 2011.

By the Board, Rachel D. Campbell, Director, Office of Proceedings.

Clearance Clerk

Raina S. White

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